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ABSTRACT

Recent research conducted by K. Gray and N. Huang (1993) provided new insights into the gender gap in yearly earnings. These researchers tested Terrell's (1992) hypothesis that the issue now is not equal educational opportunity, but inequality in the distribution of women among all occupations. The study examined the variables that affected the yearly wages of men and women in their mid-30s. The findings confirmed Terrell's research. Although education positively affected earnings of both women and men, its effect was greater for men. The most important variable affecting earnings of both genders was not education but occupation. The magnitude of this effect was larger for women than men. The implication was that narrowing the gender gap further would require breaking down gender barriers in certain higher paying occupations and that this was where secondary and postsecondary vocational education had a role to play. Noble (1992) pointed out that to the majority of women, the relevant issue was being stuck on the "sticky floor" of low wage occupations. High school and postsecondary vocational-technical education would have great potential to free women from the sticky floor by opening doors to high skills/high wage blue-collar technical occupations in the manufacturing, construction, communications, and transportation sectors. (YLB)

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National Center for Research in Vocational Education

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Office of Special Populations' BRIEF

Volume 5 Number 2

THE GENDER GAP IN YEARLY EARNINGS: CAN VOCATIONAL EDUCATION HELP?

by Kenneth Gray

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Despite women's wages growing 140% since 1960, there is little call for celebration. Thirty years after the passage of the Equal Pay Act, women today still earn, on average, 70 cents for every dollar earned by men. Why has this wage gap persisted? Does secondary and postsecondary education have a role to play in correcting this inequity? Recent research conducted by Gray and Huang (1993) from The Pennsylvania State University provides new insights into these questions.

Since the early 1960's one focus of efforts to narrow the gender gap in wages has been education. Economists argued that women earn less because they, as a group, were less likely to hold advanced degrees or training. Thus, a way to narrow the gap was to encourage more women to go on to higher education. This policy has been very successful. Today, more women go to college and graduate than men, and the United States graduates higher percentages of women even in the sciences than any other industrialized nation. No doubt this progress is one reason why the gender wage gap has narrowed since the 1960's. But men still make about almost a third more than women. Why?

The more women in a job, the lower the wage

One explanation is offered by Terrell (1992) who suggests that the issue now is not equal educational opportunity, but inequality in the distribution of women among all occupations. Only four percent of skilled craft workers, for example, are women. Furthermore, the wage gap is narrowest in occupations where the distribution of men and women is about equal: on average, women cashiers earn 95 cents for every dollar a male cashier makes compared to 62 cents on the dollar for women stockbrokers. This was the hypothesis tested by The Pennsylvania State University researchers.

The study examined the variables that affected the yearly wages of men and women who were in their mid thirties. Included were both high school and postsecondary education, demographic variables such as marital status, and finally, occupation. The findings confirm Terrell's research. While education, including high school vocational education, positively affects earnings of both women and men, its effect was greater for men. This means that, on average, the return in earnings from an additional year of education is greater for men than women. Thus, unless the educational levels of women begin to dramatically exceed that of men, little further progress in reducing the gender gap can be expected from higher education.

Occupation not education affected men's and women's earnings the greatest

In Gray and Huang's study, **the most important variable affecting earnings of both genders was not education but occupation**. It is important to note that the magnitude of this effect was larger for women than men. The implication being that narrowing the gender gap further will require breaking down gender barriers in certain higher paying occupations. This is where secondary and postsecondary vocational technical education has a role to play.

The press has given a lot of attention to the "glass ceiling," but Barbara Noble points out that while equal access to top corporate positions is an important gender issue, it is not one of relevance to most women. To the majority of women, the relevant issue is being stuck on what Noble calls

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Vocational education critical in decreasing the wage gap

the "sticky floor" of low wage occupations. High school and postsecondary vocational technical education has great potential to free women from the "sticky floor" by opening doors to high skills/high wage blue-collar technical occupations in the manufacturing, construction, communications, and transportation sectors of the economy. Labor market advantages in gaining this type of work depends on entry level skills that include an appropriate set of occupational and basic academic skills. Applicants that have this set of skills will be hired first. The new integrated Tech Prep model* developed by the National Center for Research in Vocational Education is designed to deliver this set of skills and thus, deserves close attention by those who seek to further narrow the gender wage gap.

For more information on the integrated Tech Prep model see: Bragg, D. Emerging tech prep models: Promising approaches to educational reform. Forthcoming in the National Center for Research in Vocational Education's* **Center Focus, *December 1993.*

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